4 of the Best Under-$50 Canadian Stocks to Buy in June 2021

Description

Creating wealth through stocks is easy and cheap. All you need is a strict discipline to invest regularly and stay invested for a long period to generate stellar returns. Notably, a small but regular investment could help create a significant amount of wealth in the long run. So, if you plan to invest in equity, here are my top four stock picks that could deliver outsized returns. Furthermore, these Canadian stocks are trading under $50.

Dye & Durham

Dye & Durham (TSX:DND) has all the right ingredients to deliver sky-high returns in the coming years. Its revenues and adjusted EBITDA are growing rapidly and supporting the upside in its stock, reflecting momentum in its core operations and benefits from its recent acquisitions.

Dye & Durham's diversified and large customer base, blue-chip clients, increased revenues from the existing customers, high retention rate, and growing international footprint are likely to drive stellar growth in its revenues and adjusted EBITDA. Also, up-selling and long-term contracts augur well for growth. Furthermore, its solid balance sheet and robust acquisition pipeline could accelerate its growth rate and drive its stock higher.

Enbridge

Enbridge (TSX:ENB)(NYSE:ENB) is a top-quality Canadian stock that should be in your portfolio to create wealth in the long run. Enbridge has delivered a stellar average annual TSR (total shareholder returns) of 16% from 1995 to 2019. Furthermore, the company projects to easily produce a yearly TSR of about 13% in the coming years. Thanks to its ability to generate robust cash flows, Enbridge has consistently rewarded its shareholders with higher dividends and is yielding about 7% at current price levels.

Enbridge's solid balance sheet, longevity and resiliency of its cash flows, and continued investments in growth projects suggest that the company could handily outpace the broader markets in the long run and deliver exceptional returns. Moreover, the improving macro environment, recovery in mainline throughput, and growth opportunities in the renewable power segment further strengthen my bullish outlook.

Telus

Telus (TSX:T)(NYSE:TU) is another attractive Canadian stock that could deliver stellar returns in the coming years. Its strong subscriber growth, business acquisitions, and capital expenditures on strategic broadband investments like 5G network build-out and TELUS PureFibre position it well to deliver robust returns in the long run.

Thanks to the continued strength in its base business, Telus has consistently enhanced its shareholders' returns through share repurchases and higher dividends. Telus has returned $19 billion to its shareholders in the form of dividends and share buybacks since 2004. Telus pays quarterly dividends and is yielding over 4.5%.

Algonquin Power & Utilities

Algonquin Power & Utilities (TSX:AQN)(NYSE:AQN) is a low-risk and high-growth company that has consistently delivered stellar returns for its shareholders. Its rate-regulated business generates high-quality earnings and cash flows that support its dividends and drives its stock higher. The company consistently increased dividends at a CAGR of 10% in the last 11 years and offers a dividend yield of 4.4%.

Its rate base is projected to increase at a double-digit rate, which could drive solid growth in its adjusted EBITDA and earnings. Meanwhile, its long-term contracts, solid balance sheet, growth opportunities in the renewable power business, and expense management bode well for future growth.

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TICKERS GLOBAL

1. NYSE:AQN (Algonquin Power & Utilities Corp.)
2. NYSE:ENB (Enbridge Inc.)
3. NYSE:TU (TELUS)
4. TSX:AQN (Algonquin Power & Utilities Corp.)
5. TSX:DND (Dye & Durham Limited)
6. TSX:ENB (Enbridge Inc.)
7. TSX:T (TELUS)

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